March 4, 1981

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(SOVIETOIL)

WASHINGTON (UPI) -- A CONSUMER GROUP TODAY
INTELLIGENCE AGENCY TO COTAIN DATA SUPPORTIN
PREDICTIONS THAT THE SOVIET UNION WILL SOON
SCARCE WORLD OIL SUPPLIES.

HLTHOUGH CIA SOURCES AND NETHODS ARE EXEMP.

THE FREEDOM OF INFORMATION ACT: THE SUIT CONTENDED THE AGENCY BREACHED ITS OWN CONFIDENCE LAST SEPTEMBER WHEN IT BRIEFED SELECTED MEDIA ON THE SOVIET OIL OUTLOOK.

THE SUIT WAS FILED IN U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA BY THE AMERICAN CIVIL LIBERTIES FOUNDATION ON BEHALF OF THE ENERGY ACTION EDUCATIONAL FOUNDATION.

THE CONSUMER GROUP, WHICH FAVORS PETROLEUM PRICE AND ALLOCATION CONTROLS, THINKS THE PUBLIC IS ENTITLED TO SEE THE CIA'S SUPPORTING DATA BECAUSE AGENCY PROJECTIONS OF IMMINENT OIL SHORTAGE WERE PIVOTAL IN THE DECISION TO PHASE OUT DOMESTIC OIL CONTROLS.

"THIS INFORMATION IS VITAL IN ORDER FOR THE PUBLIC TO BE ABLE TO DETERMINE WHETHER OR NOT ANALYSES THE CIA IS MAKING REGARDING SOYIET ENERGY DEVELOPMENTS ARE RELIABLE AND ADEQUATE." SAID EDWIN ROTHSCHILD, DIRECTOR OF EHERGY ACTION. 'TOO MANY TIMES, THE CIA HAS MADE PREDICTIONS OF SOVIET OIL PRODUCTION DECLINES THAT HAVE NOT PROYEN ACCURATE."

THE CIA HAS PROJECTED THAT THE SOVIET UNION, THE WORLD'S LARGEST OIL PRODUCER AND A NET EXPORTER, WOULD BE FORCED TO COMPETE WITH THE WEST IN AN INCREASINGLY TIGHT WORLD OIL EXPORTS HARKET BY ABOUT 1985.

IN THE PAST YEAR, HOWEVER, A SHALL GLUT HAS DEVELOPED ON THE WORLD OIL MARKET AS U.S. IMPORTS AND OVERALL GIL CONSUMPTION STARTED TO DECLINE.

ROTHSCHILD SAID HE WAS FORCED TO FILE THE DISCLOSURE SUIT "BECAUSE THE AGENCY REFUSED TO PROVIDE US WITH THE SAME INFORMATION THEY PROVIDED TO THE OIL & GAS JOURNAL AT A SECRET BRIEFING LAST SEPTEMBER."

JOHN JEHNRICH: NASHINGTON EDITOR OF THE DIL AND GAS JOURNAL: SAID HE ATTENDED THE CIA BRIEFING BUT NOULD NOT COMMENT ON THE CONTENT.

ROTHSCHILD SALD WHEN FORMER PRESIDENT CARTER AND HIS ENERGY SECRETARY, JAMES SCHLESINGER, UNVEILED THEIR NATIONAL ENERGY PLAN IN APRIL 1977 THEY "RELIED EXTENSIVELY" ON THE CLA PROJECTIONS OF A COMING SHORTAGE AND DECLINING SOVIET PRODUCTION.

"WE HOPE THE INFORMATION THE CIA PROVIDED TO A SELECT GROUP OF ANALYSTS AND REPORTERS LAST SEPTEMBER WILL PROVIDE THE PUBLIC WITH AN INSIGHT AS TO HOW THE CIA ARRIVES AT ITS ESTIMATES OF SOVIET OIL

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